

## Message Text

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PAGE 01 STATE 002314  
ORIGIN AGRE-00

INFO OCT-01 EUR-12 ISO-00 EB-07 STR-04 TRSE-00 COME-00  
ITC-01 OMB-01 CIAE-00 INR-07 NSAE-00 NSC-05 /038 R

DRAFTED BY AGRIC:FAS/ITP/TOD:NFRANCIS:JVM  
APPROVED BY EB/OT/TA:DJDUNFORD  
AGRIC:FAS/ITP/TOD:JBESHOAR  
AGRIC:FMD/L/LP:REMANNION  
AGRIC:FCA/DL/LP:RANDERSON  
STR:JSTARKEY  
TREASURY:WBARREDA  
AGRIC:FAS/AA:GSBROWN  
AGRIC:ERBEVIS  
EB/OT/TA:TFO'HERRON  
EUR/CE:SKLINGAMAN  
EB/ORF/OFPP:PTAYLOR  
EUR/RPE:ECASEY

-----060703Z 088243 /15

R 060000Z JAN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BERN

UNCLAS STATE 002314

E.O. 11652: N/A

TAGS:ETRD, SZ

SUBJECT: SWISS IMPORT QUOTA FOR BEEF

REF: TOFAS 142

1. WASHINGTON AGENCIES APPRECIATE EMBASSY INITIATIVE  
IN APPROACHING GOS TO REQUEST INCREASE IN U.S. BEEF  
QUOTA. HOWEVER, IN MAKING CASE FOR INCREASE, EMBASSY  
SHOULD NOT REPEAT NOT INDICATE THAT WE ACCEPT LINKAGE  
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PAGE 02 STATE 002314

BETWEEN COUNTERVAILING DUTY CASE ON SWISS CHEESE AND  
BEEF QUOTA. BASIC ARGUMENTATION IN FAVOR OF INCREASED  
QUOTA SHOULD CONTINUE TO BE ALONG LINES OF PREVIOUS  
U.S. POSITION (WHICH, IN OUR VIEW, SHOULD MEET CONCERNS  
OF SWISS FARMERS' UNION):

A. TYPE OF MEAT IMPORTED IS UNAVAILABLE DOMESTICALLY.

THEREFORE, IT IS NOT COMPETING WITH SWISS LIVESTOCK PRODUCERS.

B. U.S. MEAT IN QUESTION IS A SPECIAL HIGH QUALITY, DIFFERENTIATED PRODUCT, DEMANDED PRIMARILY BY THE HOTEL AND RESTAURANT INDUSTRY; IT DOES NOT ENTER THE GENERAL SWISS MEAT MARKET. DEMAND FOR THIS PRODUCT FROM HOTEL AND RESTAURANT INDUSTRY EXCEEDS SUPPLY.

C. U.S. BEEF ADDS TO THE ATTRACTIVENESS OF SWISS HOTELS AND RESTAURANTS FOR TOURISTS, CONTRIBUTING TO SWISS EARNINGS FROM THIS KEY FOREIGN EXCHANGE SOURCE.

2. GATT DOCUMENT MTN/3E/DOC/2/ADD. 22, WHICH PROVIDES BASIC DOCUMENTATION ON SWISS AGRICULTURAL POLICIES, STATES ON PAGE 12, REGARDING MEAT, THAT QTE QUOTAS ARE OPENED, FOR PRODUCTS OF THE SAME KIND, WHEN THE MARKET PRICES REACH THE UPPER LIMIT OF THE TARGET PRICE UNQTE. IF IT CAN BE DEMONSTRATED THAT LOCAL MARKET PRICES FOR HIGHEST QUALITY MEAT ANIMALS ARE AT OR ABOVE THE TARGET PRICE, EMBASSY SHOULD USE ARGUMENT THAT THE QUOTAS FOR TOP QUALITY MEAT SHOULD BE INCREASED IN LINE WITH SWISS POLICY AS STATED ABOVE.

3. IN ADDRESSING POLITICAL PROBLEM WHICH GOS SEEMS TO HAVE WITH BEEF QUOTA, IT SHOULD BE POINTED OUT THAT SAME POLITICAL PRESSURE EXISTS IN U.S. AND THAT SWISS QUOTA IS CONSIDERED IMPORTANT BY U.S. BEEF INDUSTRY. EMBASSY MIGHT POINT OUT THAT U.S. ABSORBED UNCLASSIFIED

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PAGE 03 STATE 002314

FROM WORLD MARKET IN 1976 ABOUT 1,233 MILLION POUNDS OF FRESH, CHILLED, OR FROZEN BEEF OF A TYPE WHICH IS COMPETITIVE WITH SWISS DOMESTIC PRODUCTION; U.S. THUS CONTRIBUTES TO REDUCTION OF PRESSURE ON SWISS FROM THIRD COUNTRY SUPPLIERS.

4. EMBASSY SHOULD NOT ALLOW IMPRESSION TO STAND THAT WE IN ANY WAY ACCEPT LINKAGE BETWEEN COUNTERVAILING DUTY CASE ON CHEESE AND BEEF QUOTA, OR THAT QUID PRO QUO IS ENVISIONED. IN DISCUSSING THIS POINT, EMBASSY SHOULD NOT THAT U.S. WENT TO LIMIT OF ITS STATUTORY AUTHORITY IN WAIVING COUNTERVAILING DUTIES ON SWISS CHEESE, AND THAT WE LOOK FORWARD TO RESOLUTION OF THIS PROBLEM IN MTN PRIOR TO EXPIRATION OF WAIVER IN EARLY 1979. WE HOPE THAT THE GOODWILL WHICH HAS BEEN CHARACTERISTIC OF U.S.-SWISS COMMERCIAL RELATIONS WILL CONTINUE TO PREVAIL IN BILATERAL TRADE MATTERS, INCLUDING THE BEEF QUOTA QUESTION.

5. BASED ON CONVERSATIONS WITH EXPORTERS AND IMPORTERS,  
WASHINGTON SUGGESTS THAT EMBASSY RECOMMEND GOS INCREASE  
THE ANNUAL U.S. BEEF QUOTA TO 1,000 TONS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COUNTERVAILING DUTIES, IMPORT QUOTAS, MEATS  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Message ID:** 1e6db8dc-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN AGRE  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
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**SAS ID:** 3651501  
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**Status:** NATIVE  
**Subject:** SWISS IMPORT QUOTA FOR BEEF  
**TAGS:** ETRD, EAGR, EPAP, SZ, US  
**To:** BERN  
**Type:** TE  
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**Review Markings:**  
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